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BEFORE THE ARIZONA CORPORATION C

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2013 DEC 27 PM 1 51

IN THE MATTER OF THE APPLICATION OF
TRUXTON CANYON WATER COMPANY, INC.
FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02168A-11-0363

IN THE MATTER OF THE APPLICATION OF
TRUXTON CANYON WATER COMPANY, INC.
FOR APPROVAL OF A REVISION OF THE
COMPANY'S EXISTING TERMS AND
CONDITIONS OF WATER SERVICE.

DOCKET NO. W-02168A-13-0309

IN THE MATTER OF THE APPLICATION OF
TRUXTON CANYON WATER COMPANY, INC.
FOR AUTHORITY TO INCUR LONG-TERM
DEBT.

DOCKET NO. W-02168A-13-0332

**STAFF'S NOTICE OF FILING
SURREBUTTAL TESTIMONY**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby files the Surrebuttal Testimony of Staff witness Crystal S. Brown, in the above-referenced matter.

RESPECTUFLLY SUBMITTED this 27th day of December, 2013.

Arizona Corporation Commission

DOCKETED

DEC 27 2013

DOCKETED BY

Bridget A. Humphrey, Staff Attorney
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Legal Division
Arizona Corporation Commission
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3 27th day of December, 2013 with:

4 Docket Control
5 Arizona Corporation Commission
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Roseann Osorio

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

APPLICATION OF TRUXTON CANYON)
WATER COMPANY, INC. FOR AN)
INCREASE IN ITS WATER RATES)

DOCKET NO. W-02168A-11-0363

IN THE MATTER OF THE APPLICATION OF)
TRUXTON CANYON WATER COMPANY, INC.)
FOR APPROVAL OF A REVISION OF THE)
COMPANY'S EXISTING TERMS AND)
CONDITIONS OF WATER SERVICE.)

DOCKET NO. W-02168A-13-0309

IN THE MATTER OF THE APPLICATION OF)
TRUXTON CANYON WATER COMPANY, INC.)
FOR AUTHORITY TO INCUR LONG-TERM)
DEBT.)

DOCKET NO. W-02168A-13-0332

DIRECT

TESTIMONY

OF

CRYSTAL S. BROWN

PUBLIC UTILITIES ANALYST V

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

DECEMBER 27, 2013

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EXECUTIVE SUMMARY
TRUXTON CANYON WATER COMPANY
DOCKET NO. W-02168A-11-0363

Staff recommends a \$66,818, or 12.02 percent revenue decrease from \$555,924 to \$489,106; this decrease would produce an operating income of \$50,000. Staff recommends an OCRB of a negative \$249,270 as shown on Schedule CSB-1. As such, Staff is recommending an operating income derived using the cash flow methodology which would result in an operating margin of 10.22 percent. Staff's surrebuttal testimony responds to Truxton Canyon Water Company, Inc.'s ("Truxton" or "Company") rebuttal testimony on the following issues:

1. Accumulated Depreciation Related To Wells and Other Plant Transferred From the Claude K. Neal Family Trust ("Trust")
2. Repairs and Maintenance Related To Wells and Other Plant Staff Treated As Transferred From the Claude K. Neal Family Trust
3. Repairs and Maintenance Expense Adjustment Related to Missing Invoice
4. Miscellaneous Service Charge - Insufficient Check Charge

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is Crystal S. Brown. I am a Public Utilities Analyst V employed by the Arizona Corporation Commission ("Commission") in the Utilities Division ("Staff"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

Q. Are you the same Crystal S. Brown who filed direct testimony in this case?

A. Yes.

PURPOSE OF SURREBUTTAL TESTIMONY

Q. What is the purpose of your surrebuttal testimony in this proceeding?

A. The purpose of my surrebuttal testimony in this proceeding is to respond, on behalf of Staff, to the rebuttal testimony of Mr. Matthew Rowell, Ms. Sonn Rowell, Mr. Rick Neal, and Ms. Michelle Monzillo who represent Truxton Canyon Water Company, Inc. ("Truxton" or "Company").

Q. What issues will you address?

A. I will address the issues listed below:

1. Accumulated Depreciation Related To Wells and Other Plant Transferred From the Claude K. Neal Family Trust ("Trust")
2. Repairs and Maintenance Related To Wells and Other Plant Staff Treated As Transferred From the Claude K. Neal Family Trust
3. Repairs and Maintenance Expense Adjustment Related to Missing Invoice
4. Miscellaneous Service Charge - Insufficient Check Charge

Q. Does your silence on any particular issue raised in the Company's rebuttal testimony indicate that Staff agrees with the Company's stated rebuttal position?

A. No. Rather, where I do not respond, I continue to rely on my direct testimony.

SUMMARY OF PROPOSED REVENUES

Q. Please summarize Staff's recommended revenue.

A. Staff recommends a \$66,818, or 12.02 percent revenue decrease from \$555,924 to \$489,106; this decrease would produce an operating income of \$50,000. Staff recommends an original cost rate base ("OCRB") of a negative \$249,270 as shown on Schedule CSB-1. As such, Staff is recommending an operating income derived using the cash flow methodology which would result in an operating margin of 10.22 percent.

Q. How does Staff's recommended revenue compare to the recommended revenue in Staff's direct testimony?

A. Staff's recommended revenue has increased by \$5,932, from \$483,174 in its direct testimony to \$489,106 due to increasing repairs and maintenance expense and the associated taxes as discussed herein.

RATE BASE

Q. Please summarize Staff's adjustments to Truxton's rate base shown on Surrebuttal Schedule CSB-3.

A. A summary of the Company's proposed and Staff's recommended rate base follows:

TEST YEAR RATE BASE		
Per Company -		Per Staff -
<u>Direct</u>	<u>Difference</u>	<u>Surrebuttal</u>
(\$185,695)	(\$63,572)	(\$249,270)

Q. How does Staff's recommended rate base compare to the recommended rate base in Staff's direct testimony?

A. Staff's recommended rate base rate is the same as the recommendation made in its direct testimony.

Accumulated Depreciation Related To Wells and Other Plant Transferred From the Trust and Depreciation Expense

Q. What is accumulated depreciation?

A. Accumulated Depreciation reports the accumulated amount of depreciation expense that has been taken from the time an asset was acquired until the end of an accounting period.

Q. How is depreciation expense calculated?

A. In general, depreciation expense is calculated by dividing the original cost of an asset by the asset's useful life.

Q. Referring to the wells and pipeline that Staff treated as being transferred from the Trust for ratemaking purposes, does Truxton or the Trust know the original cost of wells and pipeline or when the pipeline was built?

A. No. The Company has not provided any information to Staff that clearly illuminates when the pipeline was built.

Q. Can depreciation expense and the resulting accumulated depreciation balance for the wells and pipeline be reliably calculated without knowing the original cost and/or the length of time the assets have been depreciated?

A. No.

Q. Ms. Brown, in conjunction with the pending rate application, is Staff in a position to provide an accurate accounting associated for infrastructure investments for which the Company requests rate treatment?

A. No. It is the responsibility of the Company, Truxton, to provide the necessary supporting information and accounting in order for Staff to perform an analysis of the requested rate treatment. Staff would then analyze the application and supporting materials provided by

1 the Company in order to provide a recommendation for the consideration of the
2 Administrative Law Judge and for the Commission.

3
4 **Q. Can Staff rely on the financial information provided by the Company regarding the**
5 **depreciation expense recorded to date and the resulting accumulated depreciation**
6 **balance for the wells and pipeline?**

7 A. No. Staff cannot rely upon the limited and unsupported information provided by the
8 Company. However, since it has been 50 years or more since the wells in question were
9 drilled and "put into the system," it is very reasonable to conclude that the original cost of
10 all of these facilities, inclusive of both the wells and "system" pipes have been fully
11 depreciated.

12
13 **Q. Mr. Rowell on p. 3, line 3 of his rebuttal testimony states, "The contention that the**
14 **Trust's assets are fully depreciated appears to be an assumption based solely on the**
15 **age of the plant. Staff's testimony does not mention any analysis done to support**
16 **that conclusion." What was the basis of Staff's determination that the plant was**
17 **fully depreciated?**

18 A. Staff believes giving consideration to the age of the plant is very logical. According to
19 Staff's commonly used depreciation table, the useful life of transmission and distribution
20 mains is 50 years. The associated depreciation rate is 2.0 percent (i.e. 1 / 50 years). The
21 useful life of a well is 30 years and the depreciation rate is 3.33 (i.e., 1/30). Quite simply,
22 the Company has not provided information to support the approvals it is requesting.

1 **Q. Mr. Rowell on p. 3, line 3 of his rebuttal testimony states “While the plant in question**
2 **is fairly old, it is likely that repairs and replacements made over the years should**
3 **have been (or were) capitalized rather than expensed. Staff simply assumes that**
4 **100% of all repairs and replacements were expenses and not capital items.” Does**
5 **Staff agree?**

6 **A. No, Staff does not agree. According to Paragraph 8 of the Water Supply Agreement (see**
7 **Attachment A for an excerpt of the water supply agreement), not only have Truxton’s**
8 **customers already paid for capital costs related to the Trust’s wells and other plant, they**
9 **have also already been required to pay a rate of return on the assets, and they have paid all**
10 **operation and maintenance costs associated with these assets. Paragraph eight of the**
11 **Water Supply Agreement states:**

12
13 8. Truxton Canyon shall pay to Family Trust all metered water
14 deliveries at the agreed upon delivery points at the rate of \$.65 per
15 1,000 gallons delivered. That price shall be subject to review on
16 each anniversary date of the Agreement, but will not be changed
17 except upon 90 days written notice to Truxton Canyon. *Said price*
18 *will be based upon the market value of the water considering the*
19 *operation, maintenance and capital cost to Family Trust, plus a*
20 *return on the value of the equipment and facilities necessary to*
21 *provide service under this agreement. (Emphasis added)*
22

23 Again, the Company fails to provide any support for Mr. Rowell’s assertion.
24

25 **Operating Income Adjustment No. 2 – Repair and Maintenance Expense**

26 **Q. Did Staff review Truxton’s rebuttal testimony concerning Staff’s adjustments to**
27 **repair and maintenance expense?**

28 **A. Yes.**

1 **Q. What are the Company's concerns?**

2 A. The Company has two concerns. First, the Company believes that Staff did not include
3 the repair and maintenance expense for the wells and other plant that Staff treated as
4 transferred from the Trust in operating expenses. Second, the Company has provided an
5 invoice for an amount that Staff removed in its direct testimony due to a lack of support.
6 Staff will discuss each separately.

7
8 *Repairs and Maintenance Expense Related To Wells and Other Plant Staff Treated As*
9 *Transferred From the Claude K. Neal Family Trust*

10 **Q. Mr. Rowell, on page 2, line 23 of his rebuttal testimony states, "Treating the wells**
11 **and other plant as if they had been transferred would require recognition of the**
12 **expenses associated with maintaining the wells and other plant in rates. Staff does**
13 **not appear to have recognized any such expense? Does Staff agree with the**
14 **Company?**

15 A. No. Staff allowed more in repairs and maintenance than the level of such expenses
16 reported in Truxton's general ledger during the test year.

17
18 **Q. What is the difference between the amount reported in the Company's general**
19 **ledger and the amount that Staff recommended for repairs and maintenance expense**
20 **in its direct testimony?**

21 A. The Company's general ledger reported \$14,565 for repairs and maintenance expense for
22 the year ended December 31, 2012 (see Attachment B). In its direct testimony, Staff
23 recommended \$30,009 for repair and maintenance expense; a difference of \$15,444 (i.e.
24 \$30,009 - \$14,565).

25
26 **Q. Does the \$15,444 difference represent the amount Staff allowed for repairs and**
27 **maintenance expense for the Trust's wells and other plant?**

28 A. Yes.

Repairs and Maintenance Expense Adjustment Related to Missing Invoice

Q. Did Staff review the Company's rebuttal testimony concerning an amount that Staff removed in its direct testimony due to a lack of support?

A. Yes. Ms. Michelle Monzillo has now provided the missing invoice.

Q. Has Staff reviewed the invoice?

A. Yes and Staff has revised its repair and maintenance expense to include the \$5,863 related to these previously missing invoices.

Q. Are there other elements to Staff's repairs and maintenance adjustment?

A. Yes. Staff is removing \$1,608 which reflects the removal of a \$1,433 expense that was not incurred in the test year and the removal of a \$175 expense for Sirius Radio which is not needed in the provision of service.

Q. How does Staff's recommendation for repairs and maintenance expense compare to the recommendation for repairs and maintenance expense in Staff's direct testimony?

A. Staff's recommendation for repairs and maintenance expense has increased by \$5,863; from \$30,009 in its direct testimony to \$35,872 in its surrebuttal testimony.

Operating Income – Property Taxes

Q. Did Staff make any adjustment to the property tax expense?

A. Yes. Staff's adjustment reflects Staff's calculation of the property tax expense using Staff's recommended revenues as modified in this surrebuttal testimony.

Operating Income – Income Taxes

Q. Did Staff make any adjustments to test year income tax expense?

A. Yes. Staff's adjustment reflects Staff's calculation of the income tax expense based upon Staff's adjusted test year taxable income as modified in this surrebuttal testimony.

Miscellaneous Services Charges – Insufficient Funds Check Charge

Q. Did Staff review the Company's rebuttal testimony concerning Staff's disallowance of the Company's proposed insufficient funds check ("NSF") charge due to a lack of support?

A. Yes. Ms. Michelle Monzillo has now provided the documentation to support the Company proposed NSF check charge of \$25.

Q. Has Staff reviewed the supporting documentation?

A. Yes and Staff recommends approval of the Company proposed \$25 NSF check charge.

Q. Does this conclude Staff's surrebuttal testimony?

A. Yes, it does.

Attachment A

December 31, 2012 General Ledger
Repairs and Maintenance Expense

TRUXTON CANYON WATER COMPANY

General Ledger

ATTACHMENT A

For the Period From Jan 1, 2012 to Dec 31, 2012

Filter Criteria includes: Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	8/1/12			Beginning Balance			5,560.81
	8/10/12	COUNTER	CDJ	WESTERN PETR	815.26		
				Current Period Cha	815.26		815.26
	9/1/12			Beginning Balance			6,376.07
	10/1/12			Beginning Balance			6,376.07
	10/3/12	458510000	PJ	UNISOURCE GAS	7,580.97		
	10/16/12	3746	CDJ	REBEL OIL INC -	118.97		
				Current Period Cha	7,699.94		7,699.94
	11/1/12			Beginning Balance			14,076.01
	12/1/12			Beginning Balance			14,076.01
	12/4/12	458516000	PJ	UNISOURCE GAS	3,519.34		
				Current Period Cha	3,519.34		3,519.34
	12/31/12			Ending Balance			17,595.35
618 Chemicals	1/1/12			Beginning Balance			
	1/3/12	41432495	PJ	PRAXAIR DISTRIB	33.07		
	1/23/12	41525831	PJ	PRAXAIR DISTRIB	5.26		
	1/23/12	41567775	PJ	PRAXAIR DISTRIB	15.65		
				Current Period Cha	53.98		53.98
	2/1/12			Beginning Balance			53.98
	2/3/12	41826008	PJ	PRAXAIR DISTRIB	23.34		
	2/3/12	41770456	PJ	PRAXAIR DISTRIB	24.51		
				Current Period Cha	47.85		47.85
	3/1/12			Beginning Balance			101.83
	4/1/12			Beginning Balance			101.83
	4/12/12	42442489	PJ	PRAXAIR DISTRIB	24.12		
				Current Period Cha	24.12		24.12
	5/1/12			Beginning Balance			125.95
	5/7/12	42725760	PJ	PRAXAIR DISTRIB	25.23		
	5/22/12	42866359	PJ	PRAXAIR DISTRIB	42.19		
	5/29/12	42996537	PJ	PRAXAIR DISTRIB	24.51		
				Current Period Cha	91.93		91.93
	6/1/12			Beginning Balance			217.88
	6/28/12	43198849	PJ	PRAXAIR DISTRIB	196.84		
				Current Period Cha	196.84		196.84
	7/1/12			Beginning Balance			414.72
	8/1/12			Beginning Balance			414.72
	8/2/12	3668	CDJ	PRAXAIR DISTRIB	24.51		
	8/28/12	43740446	PJ	PRAXAIR DISTRIB	61.08		
	8/28/12	43803236	PJ	PRAXAIR DISTRIB	25.06		
				Current Period Cha	110.65		110.65
	9/1/12			Beginning Balance			525.37
	10/1/12			Beginning Balance			525.37
	10/3/12	3717	CDJ	PRAXAIR DISTRIB	25.06		
	10/31/12	3761	CDJ	PRAXAIR DISTRIB	262.33		
				Current Period Cha	287.39		287.39
	11/1/12			Beginning Balance			812.76
	12/1/12			Beginning Balance			812.76
	12/3/12	3788	CDJ	PRAXAIR DISTRIB	25.14		
				Current Period Cha	25.14		25.14
	12/31/12			Ending Balance			837.90
620 REPAIRS AND MAIN	1/1/12			Beginning Balance			
	1/3/12	010312	PJ	DITCH WITCH	100.00		
	1/6/12	3407	CDJ	TERESA NEAL - M ①	199.90		
	1/10/12	on-line	CDJ	PITNEY BOWES -	150.00		
	1/17/12	3420	CDJ	PITNEY BOWES -	9.47		
	1/18/12	42722	PJ	K-TEK INC	86.96		
				Current Period Cha	546.33		546.33
	2/1/12			Beginning Balance			546.33
	2/3/12	7727655-D	PJ	PITNEY BOWES -	244.26		

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	2/7/12	on-line	CDJ	DITCH WITCH - M	22.76		
	2/17/12	on-line	CDJ	PITNEY BOWES -	150.00		
				Current Period Cha	417.02		417.02
	3/1/12			Beginning Balance			963.35
	3/6/12	022012	PJ	DITCH WITCH	729.91		
	3/8/12	3470	CDJ	TERESA NEAL - M ②	181.74		
	3/15/12	3476	CDJ	CASH - Materials	100.00		
	3/19/12	3480	CDJ	TERESA NEAL - M ③	180.00		
	3/19/12	3481	CDJ	TERESA NEAL - M ④	75.00		
	3/27/12	328117	PJ	KINGMAN TRUE V	18.90		
	3/27/12	329103	PJ	KINGMAN TRUE V	155.00		
				Current Period Cha	1,440.55		1,440.55
	4/1/12			Beginning Balance			2,403.90
	4/10/12	on-line	CDJ	PITNEY BOWES -	100.00		
	4/11/12	3512	CDJ	EMPIRE - Material	392.21		
	4/12/12	3516	CDJ	PITNEY BOWES -	244.26		
	4/17/12	3512V	CDJ	EMPIRE - Material		392.21	
	4/17/12	3523	CDJ	EMPIRE - Material	442.16		
	4/30/12	counter che	CDJ	CASH - Materials	150.00		
				Current Period Cha	1,328.63	392.21	936.42
	5/1/12			Beginning Balance			3,340.32
	5/2/12	1526	CDJ	HEM - Materials &	235.79		
	5/2/12	3541	CDJ	KINGMAN TRUE V	250.95		
	5/7/12	3549	CDJ	TERESA NEAL - M ⑤	72.51		
	5/8/12	3556	CDJ	CASH - Materials	200.00		
	5/9/12	4516151-0	PJ	DANA KEPNER C	5,862.94		
	5/15/12	1526V	CDJ	HEM - Materials &		235.79	
	5/21/12	arch1	CDJ	PITNEY BOWES	150.00		
				Current Period Cha	6,772.19	235.79	6,536.40
	6/1/12			Beginning Balance			9,876.72
	6/4/12	arch	CDJ	PITNEY BOWES -	200.00		
	6/6/12	3602	CDJ	REBEL OIL INC -	956.66		
	6/12/12	3606	CDJ	TERESA NEAL - M ⑥	380.96		
	6/28/12	7727655-J	PJ	PITNEY BOWES	212.26		
				Current Period Cha	1,749.88		1,749.88
	7/1/12			Beginning Balance			11,626.60
	7/10/12	3638	CDJ	CASH - Materials	100.00		
	7/13/12	arch	CDJ	PITNEY BOWES -	200.00		
	7/16/12	arch	CDJ	PITNEY BOWES -	300.00		
				Current Period Cha	600.00		600.00
	8/1/12			Beginning Balance			12,226.60
	8/13/12	arch	CDJ	PITNEY BOWES -	200.00		
	8/28/12	3683	CDJ	CASH - Materials	100.00		
				Current Period Cha	300.00		300.00
	9/1/12			Beginning Balance			12,526.60
	9/5/12	arch	CDJ	DITCH WITCH	70.09		
	9/12/12	arch	CDJ	PITNEY BOWES -	100.00		
				Current Period Cha	170.09		170.09
	10/1/12			Beginning Balance			12,696.69
	10/2/12	arch	CDJ	DITCH WITCH - M	65.74		
	10/3/12	7727655-s	PJ	PITNEY BOWES -	212.26		
	10/3/12	3723	CDJ	TERESA NEAL - M ⑦	116.00		
	10/8/12	3733	CDJ	CASH - Materials	150.00		
	10/15/12	3742	CDJ	DANA KEPNER C	57.55		
	10/16/12	3748	CDJ	SIRUS RADIO - M	175.01		
	10/17/12	arch	CDJ	PITNEY BOWES -	350.00		
	10/31/12	3762	CDJ	DANA KEPNER C	351.19		
				Current Period Cha	1,477.75		1,477.75
	11/1/12			Beginning Balance			14,174.44
	11/26/12	arch	CDJ	PITNEY BOWES -	200.00		
				Current Period Cha	200.00		200.00
	12/1/12			Beginning Balance			14,374.44
	12/3/12	3784	CDJ	CASH - Materials	150.00		

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	12/19/12	4301	CDJ	DANA KEPNER C	40.80		
				Current Period Cha	190.80		190.80
	12/31/12			Ending Balance			14,565.24
630 Contractual Services -	1/1/12			Beginning Balance			
	1/10/12	transfer	CDJ	1 CKN FAMILY TRU	4,000.00		
	1/23/12	transfer	CDJ	2 CKN FAMILY TRU	4,000.00		
	1/24/12	108431	PJ	RVS SOFTWARE	548.25		
	1/25/12	TRANSFE	CDJ	3 CKN FAMILY TRU	750.00		
	1/26/12	121211	PJ	Waste Manageme	153.08		
	1/26/12	011212	PJ	Waste Manageme	153.08		
				Current Period Cha	9,604.41		9,604.41
	2/1/12			Beginning Balance			9,604.41
	2/3/12	transfer	CDJ	4 CKN FAMILY TRU	1,000.00		
	2/7/12	transfer	CDJ	5 CKN FAMILY TRU	2,000.00		
	2/21/12	transfer	CDJ	6 CKN FAMILY TRU	1,500.00		
	2/22/12	transfer	CDJ	7 CKN FAMILY TRU	600.00		
	2/27/12	on-line1	CDJ	Waste Manageme	3.74		
	2/28/12	on-line	CDJ	HEARTLAND PMT	99.90		
				Current Period Cha	5,203.64		5,203.64
	3/1/12			Beginning Balance			14,808.05
	3/7/12	transfer	CDJ	8 CKN FAMILY TRU	1,928.55		
	3/8/12	arch	CDJ	Waste Manageme	156.96		
	3/20/12	transfer	CDJ	9 CKN FAMILY TRU	3,500.00		
	3/26/12	arch	CDJ	HEARTLAND PMT	94.47		
	3/28/12	transfer	CDJ	10 CKN FAMILY TRU	1,122.69		
	3/29/12	arch	CDJ	Waste Manageme	160.27		
				Current Period Cha	6,962.94		6,962.94
	4/1/12			Beginning Balance			21,770.99
	4/7/12	transfer	CDJ	11 CKN FAMILY TRU	8,000.00		
	4/7/12	transfer	CDJ	12 CKN FAMILY TRU	2,000.00		
	4/11/12	arch	CDJ	HEARTLAND PMT	111.98		
	4/16/12	1108884	PJ	RVS SOFTWARE	295.75		
	4/18/12	transfer	CDJ	13 CKN FAMILY TRU	3,000.00		
	4/27/12	042712	PJ	Waste Manageme	159.05		
	4/27/12	TRANSFE	CDJ	14 CKN FAMILY TRU	300.00		
				Current Period Cha	13,866.78		13,866.78
	5/1/12			Beginning Balance			35,637.77
	5/3/12	2326	PJ	15 CKN FAMILY TRU	2,780.36		
	5/21/12	arch	CDJ	HEARTLAND PMT	118.48		
	5/21/12	052112	PJ	Waste Manageme	153.63		
	5/29/12	ZA1300198	PJ	SENSUS METERI	1,143.45		
	5/31/12	2330	PJ	16 CKN FAMILY TRU	3,572.01		
				Current Period Cha	7,767.93		7,767.93
	6/1/12			Beginning Balance			43,405.70
	6/4/12	2331	PJ	17 CKN FAMILY TRU	1,200.00		
	6/5/12	2332	PJ	18 CKN FAMILY TRU	1,200.00		
	6/13/12	2334	PJ	19 CKN FAMILY TRU	3,744.03		
	6/25/12	arch	CDJ	HEARTLAND PMT	142.34		
				Current Period Cha	6,286.37		6,286.37
	7/1/12			Beginning Balance			49,692.07
	7/9/12	060112	PJ	Waste Manageme	152.73		
	7/11/12	2343	PJ	20 CKN FAMILY TRU	3,715.00		
	7/12/12	2337	PJ	21 CKN FAMILY TRU	11,743.38		
	7/12/12	2337	PJ	22 CKN FAMILY TRU	7,209.38		
	7/12/12	2338	PJ	23 CKN FAMILY TRU	7,796.19		
	7/12/12	2338	PJ	24 CKN FAMILY TRU	11,743.38		
	7/12/12	2340	PJ	25 CKN FAMILY TRU	19,232.42		
	7/12/12	2340	PJ	26 CKN FAMILY TRU	11,888.36		
	7/12/12	2341	PJ	27 CKN FAMILY TRU	15,540.87		
	7/12/12	2341	PJ	28 CKN FAMILY TRU	11,796.10		
	7/12/12	2342	PJ	29 CKN FAMILY TRU	11,848.82		

Claude K. Neal Family Trust

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	7/12/12	2342	PJ 30	CKN FAMILY TRU	8,097.17		
	7/13/12	arch	CDJ	HEARTLAND PMT	135.04		
	7/24/12	2344	PJ 31	CKN FAMILY TRU	3,520.00		
	7/31/12	112648	PJ	RVS SOFTWARE	95.52		
				Current Period Cha	124,514.36		124,514.36
	8/1/12			Beginning Balance			174,206.43
	8/3/12	arch	CDJ	Waste Manageme	160.00		
	8/8/12	2345	PJ 32	CKN FAMILY TRU	4,000.00		
	8/13/12	112852	PJ	RVS SOFTWARE	208.17		
	8/15/12	arch	CDJ	HEARTLAND PMT	96.12		
	8/28/12	2346	PJ 33	CKN FAMILY TRU	3,200.00		
				Current Period Cha	7,664.29		7,664.29
	9/1/12			Beginning Balance			181,870.72
	9/5/12	arch	CDJ	Waste Manageme	170.00		
	9/17/12	arch	CDJ	HEARTLAND PMT	133.84		
	9/18/12	arch	CDJ 34	CKN FAMILY TRU	900.00		
	9/20/12	2348	PJ 35	CKN FAMILY TRU	3,261.91		
				Current Period Cha	4,465.75		4,465.75
	10/1/12			Beginning Balance			186,336.47
	10/5/12	2349	PJ 36	CKN FAMILY TRU	2,618.00		
	10/5/12	2350	PJ 37	CKN FAMILY TRU	636.88		
	10/12/12	2351	PJ 38	CKN FAMILY TRU	2,770.00		
	10/17/12		CDJ	HEARTLAND PMT	131.06		
	10/17/12	3753	CDJ	WALTER DALRYM	21.11		
	10/18/12	2352	PJ 39	CKN FAMILY TRU	4,375.07		
	10/19/12	arch	CDJ	Waste Manageme	160.00		
	10/25/12	arch	CDJ	INTUIT SOFTWARE	252.51		
				Current Period Cha	10,964.63		10,964.63
	11/1/12			Beginning Balance			197,301.10
	11/6/12	arch1	CDJ	Waste Manageme	170.00		
	11/15/12	2354	PJ 40	CKN FAMILY TRU	4,200.00		
	11/28/12	2355	PJ 41	CKN FAMILY TRU	4,000.00		
				Current Period Cha	8,370.00		8,370.00
	12/1/12			Beginning Balance			205,671.10
	12/6/12	arch	CDJ	Waste Manageme	160.00		
	12/6/12	3794	CDJ	RVS SOFTWARE	208.59		
	12/10/12	arch	CDJ	HEARTLAND PMT	139.15		
	12/13/12	2356	PJ 42	CKN FAMILY TRU	3,600.00		
				Current Period Cha	4,107.74		4,107.74
	12/31/12			Ending Balance			209,778.84
631	1/1/12			Beginning Balance			
Contractual Services -	1/6/12	1617	PJ	BLACKHAWK DEV	281.40		
	1/6/12	1617	PJ	BLACKHAWK DEV	4,166.00		
	1/20/12	00034422	PJ	DENNIS, SCHMIC	180.00		
	1/24/12	3427	CDJ	MICHELLE MONZI	309.60		
				Current Period Cha	4,937.00		4,937.00
	2/1/12			Beginning Balance			4,937.00
	2/6/12	1621	PJ	BLACKHAWK DEV	4,166.00		
	2/6/12	1621	PJ	BLACKHAWK DEV	266.28		
	2/6/12	1621	PJ	BLACKHAWK DEV	103.32		
	2/7/12	3434	CDJ	MICHELLE MONZI	475.20		
	2/7/12	2012-144	PJ	BRETT CAMPBEL	760.00		
	2/21/12	3449	CDJ	MICHELLE MONZI	432.00		
				Current Period Cha	6,202.80		6,202.80
	3/1/12			Beginning Balance			11,139.80
	3/8/12	1623	PJ	BLACKHAWK DEV	4,166.00		
	3/12/12	12999-60	PJ	FRANN ENVIRON	630.00		
	3/20/12	3482	CDJ	MICHELLE MONZI	129.60		
	3/27/12	arch	CDJ	HOUSEHOLD BAN	200.00		
	3/30/12	3491	CDJ	MICHELLE MONZI	432.00		
				Current Period Cha	5,557.60		5,557.60

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	4/1/12			Beginning Balance			16,697.40
	4/12/12	40466 001	PJ	DENNIS, SCHMIC	830.00		
	4/12/12	40466 001	PJ	DENNIS, SCHMIC	290.00		
	4/16/12	18395	PJ	MOYES SELLERS	36.96		
	4/16/12	18395	PJ	MOYES SELLERS	1,050.00		
	4/16/12	3519	CDJ	MICHELLE MONZI	417.60		
				Current Period Cha	2,624.56		2,624.56
	5/1/12			Beginning Balance			19,321.96
	5/9/12	1639	PJ	BLACKHAWK DEV	4,223.96		
	5/16/12	1149	PJ	ADAN REPAIR - R	244.21		
	5/16/12	1147	PJ	ADAN REPAIR - R	476.71		
				Current Period Cha	4,944.88		4,944.88
	6/1/12			Beginning Balance			24,266.84
	6/5/12	09418	PJ	ROGERS ELECTR	345.78		
	6/6/12	1648	PJ	BLACKHAWK DEV	4,437.74		
	6/28/12	3947	PJ	TNC MACHINE, IN	398.00		
				Current Period Cha	5,181.52		5,181.52
	7/1/12			Beginning Balance			29,448.36
	7/31/12	00035578	PJ	DENNIS, SCHMIC	180.00		
	7/31/12	00035782	PJ	DENNIS, SCHMIC	260.00		
				Current Period Cha	440.00		440.00
	8/1/12			Beginning Balance			29,888.36
	9/1/12			Beginning Balance			29,888.36
	10/1/12			Beginning Balance			29,888.36
	11/1/12			Beginning Balance			29,888.36
	11/2/12	3765	CDJ	ADAN REPAIR	1,437.20		
				Current Period Cha	1,437.20		1,437.20
	12/1/12			Beginning Balance			31,325.56
	12/31/12			Ending Balance			31,325.56
635	1/1/12			Beginning Balance			
Contractual Services -	2/1/12			Beginning Balance			
	2/3/12	57713	PJ	MOHAVE ENVIRO	760.00		
	2/16/12	57947	PJ	MOHAVE ENVIRO	70.00		
	2/23/12	54490-1	PJ	MOHAVE ENVIRO	290.00		
				Current Period Cha	1,120.00		1,120.00
	3/1/12			Beginning Balance			1,120.00
	3/12/12	58199	PJ	MOHAVE ENVIRO	70.00		
				Current Period Cha	70.00		70.00
	4/1/12			Beginning Balance			1,190.00
	4/9/12	58409	PJ	MOHAVE ENVIRO	70.00		
	4/23/12	58659	PJ	MOHAVE ENVIRO	620.00		
	4/23/12	58668	PJ	MOHAVE ENVIRO	90.00		
				Current Period Cha	780.00		780.00
	5/1/12			Beginning Balance			1,970.00
	5/22/12	58915	PJ	MOHAVE ENVIRO	770.00		
				Current Period Cha	770.00		770.00
	6/1/12			Beginning Balance			2,740.00
	6/4/12	59033	PJ	MOHAVE ENVIRO	120.00		
	6/28/12	59273	PJ	MOHAVE ENVIRO	80.00		
				Current Period Cha	200.00		200.00
	7/1/12			Beginning Balance			2,940.00
	8/1/12			Beginning Balance			2,940.00
	8/1/12	59538	PJ	MOHAVE ENVIRO	400.00		
	8/1/12	59538	PJ	MOHAVE ENVIRO	840.00		
	8/1/12	59644	PJ	MOHAVE ENVIRO	16.00		
	8/1/12	59644	PJ	MOHAVE ENVIRO	20.00		
				Current Period Cha	1,276.00		1,276.00
	9/1/12			Beginning Balance			4,216.00
	9/5/12	59951	PJ	MOHAVE ENVIRO	40.00		
	9/5/12	59810	PJ	MOHAVE ENVIRO	30.00		
				Current Period Cha	70.00		70.00

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Account Description							
	10/1/12			Beginning Balance			4,286.00
	10/3/12	60412	PJ	MOHAVE ENVIRO	50.00		
	10/3/12	59890	PJ	MOHAVE ENVIRO	50.00		
	10/3/12	60310	PJ	MOHAVE ENVIRO	40.00		
				Current Period Cha	140.00		140.00
	11/1/12			Beginning Balance			4,426.00
	11/2/12	60508	PJ	MOHAVE ENVIRO	340.00		
	11/2/12	60716	PJ	MOHAVE ENVIRO	80.00		
				Current Period Cha	420.00		420.00
	12/1/12			Beginning Balance			4,846.00
	12/31/12			Ending Balance			4,846.00
636	1/1/12			Beginning Balance			
Contractual Services -	2/1/12			Beginning Balance			
	2/16/12	090212	PJ	ADAN REPAIR - R	1,432.61		
				Current Period Cha	1,432.61		1,432.61
	3/1/12			Beginning Balance			1,432.61
	3/1/12	030112	PJ	WECOM - RADIO	59.88		
				Current Period Cha	59.88		59.88
	4/1/12			Beginning Balance			1,492.49
	4/9/12	1430-1	PJ	WECOM - radios s	50.00		
	4/18/12	3525	CDJ	SECRETARY OF	43.00		
				Current Period Cha	93.00		93.00
	5/1/12			Beginning Balance			1,585.49
	5/1/12	1430-04	PJ	WECOM	50.00		
				Current Period Cha	50.00		50.00
	6/1/12			Beginning Balance			1,635.49
	6/4/12	060112	PJ	WECOM - charge f	50.00		
	6/28/12	2425	PJ	RURAL WATER A	371.80		
				Current Period Cha	421.80		421.80
	7/1/12			Beginning Balance			2,057.29
	7/10/12	070112	PJ	WECOM	50.00		
	7/13/12	2012-AA26	PJ	ARIZONA BLUE S	100.83		
				Current Period Cha	150.83		150.83
	8/1/12			Beginning Balance			2,208.12
	8/1/12	080112	PJ	WECOM	50.00		
				Current Period Cha	50.00		50.00
	9/1/12			Beginning Balance			2,258.12
	9/5/12	3696	CDJ	WECOM	50.00		
				Current Period Cha	50.00		50.00
	10/1/12			Beginning Balance			2,308.12
	10/3/12	3715	CDJ	WECOM - Contrac	100.00		
				Current Period Cha	100.00		100.00
	11/1/12			Beginning Balance			2,408.12
	11/2/12	3766	CDJ	WECOM - Contrac	50.00		
				Current Period Cha	50.00		50.00
	12/1/12			Beginning Balance			2,458.12
	12/3/12	3785	CDJ	WECOM - Contrac	50.00		
	12/31/12	4306	CDJ	WECOM - Contrac	50.00		
				Current Period Cha	100.00		100.00
	12/31/12			Ending Balance			2,558.12
640	1/1/12			Beginning Balance			
Rents	1/3/12	010312	PJ	REMAX PREFERR	412.50		
	1/9/12	3411	CDJ	Otis Enterprises LL	20.70		
	1/24/12	020112	PJ	REMAX PREFERR	412.50		
				Current Period Cha	845.70		845.70
	2/1/12			Beginning Balance			845.70
	2/16/12	020712	PJ	Otis Enterprises LL	41.94		
	2/23/12	030112	PJ	REMAX PREFERR	412.50		
				Current Period Cha	454.44		454.44

TRUXTON CANYON WATER COMPANY

General Ledger

For the Period From Jan 1, 2012 to Dec 31, 2012

Filter Criteria includes: Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	3/1/12			Beginning Balance			1,300.14
	3/8/12	3469	CDJ	Otis Enterprises LL	34.08		
	3/27/12	040112	PJ	REMAX PREFERR	412.50		
				Current Period Cha	446.58		446.58
	4/1/12			Beginning Balance			1,746.72
	4/16/12	3521	CDJ	Otis Enterprises LL	37.32		
	4/25/12	050112	PJ	REMAX PREFERR	412.50		
				Current Period Cha	449.82		449.82
	5/1/12			Beginning Balance			2,196.54
	5/1/12	050112	PJ	Otis Enterprises LL	44.22		
	5/24/12	060112	PJ	REMAX PREFERR	412.50		
				Current Period Cha	456.72		456.72
	6/1/12			Beginning Balance			2,653.26
	6/5/12	3593	CDJ	Otis Enterprises LL	49.32		
	6/28/12	3615	CDJ	REMAX PREFERR	412.50		
				Current Period Cha	461.82		461.82
	7/1/12			Beginning Balance			3,115.08
	7/10/12	3637	CDJ	REMAX PREFERR	9.60		
	7/12/12	3640	CDJ	Otis Enterprises LL	54.42		
	7/30/12	3650	CDJ	REMAX PREFERR	412.50		
	7/31/12	3657	CDJ	REMAX PREFERR	60.00		
				Current Period Cha	536.52		536.52
	8/1/12			Beginning Balance			3,651.60
	8/1/12	3660	CDJ	Otis Enterprises LL	69.66		
	8/13/12	3675	CDJ	REMAX PREFERR	32.06		
	8/15/12	3678	CDJ	REMAX PREFERR	122.00		
				Current Period Cha	223.72		223.72
	9/1/12			Beginning Balance			3,875.32
	9/4/12	3685	CDJ	REMAX PREFERR	412.50		
	9/4/12	3687	CDJ	REMAX PREFERR	20.80		
	9/11/12	3704	CDJ	Otis Enterprises LL	46.86		
	9/28/12	3712	CDJ	REMAX PREFERR	412.50		
				Current Period Cha	892.66		892.66
	10/1/12			Beginning Balance			4,767.98
	10/3/12	3713	CDJ	REMAX PREFERR	182.23		
	10/3/12	3714	CDJ	Otis Enterprises LL	40.80		
	10/31/12	3760	CDJ	REMAX PREFERR	412.50		
				Current Period Cha	635.53		635.53
	11/1/12			Beginning Balance			5,403.51
	11/2/12	3768	CDJ	Otis Enterprises LL	50.82		
	11/6/12	3772	CDJ	REMAX PREFERR	147.71		
	11/29/12	3781	CDJ	REMAX PREFERR	412.50		
				Current Period Cha	611.03		611.03
	12/1/12			Beginning Balance			6,014.54
	12/4/12	3793	CDJ	Otis Enterprises LL	33.36		
	12/11/12	3798	CDJ	REMAX PREFERR	139.30		
	12/31/12	4304	CDJ	REMAX PREFERR	412.50		
				Current Period Cha	585.16		585.16
	12/31/12			Ending Balance			6,599.70
650 Transportation Expen	1/1/12			Beginning Balance			
	1/3/12	on-line1	CDJ	HOUSEHOLD BAN	150.00		
	1/4/12	0003612	PJ	STOCKTON HILL	216.73		
	1/4/12	69816262	PJ	PILOT GAS STATI	1,536.33		
	1/5/12	on line	CDJ	HOUSEHOLD BAN	150.00		
	1/10/12	on-line	CDJ	HOUSEHOLD BAN	150.00		
	1/11/12	3412	CDJ	MICHELLE MONZI	352.80		
	1/24/12	123111	PJ	STOCKTON HILL	377.82		
	1/24/12	237566	PJ	KINGMAN AUTO	108.52		
				Current Period Cha	3,042.20		3,042.20
	2/1/12			Beginning Balance			3,042.20
	2/3/12	237567	PJ	KINGMAN AUTO	108.52		

Attachment B

Paragraph 8 of Water Supply Agreement

Paragraph 8 below. The testing and water quality compliance beyond the point of delivery by Family Trust shall be the responsibility of Truxton Canyon.

7. Family Trust retains the right to take bulk water deliveries at any standpipe adjacent to delivery points under this Agreement. Family Trust agrees that 1) it will not take such water deliveries for use within Truxton Canyon's service area or if Truxton Canyon needs the available water for its fixed or standpipe customers, 2) all water taken by Family Trust shall be metered and not billed to Truxton Canyon, and 3) the water price to Truxton Canyon under Paragraph 8, as adjusted from time to time, shall not reflect any increase in capital, operation or maintenance costs caused by the volume of water used by Family Trust.

*Comments
why you are here*

8. Truxton Canyon shall pay to Family Trust all metered water deliveries at the agreed upon delivery points at the rate of \$.65 per 1,000 gallons delivered. That price shall be subject to review on each anniversary date of the Agreement, but will not be changed except upon 90 days written notice to Truxton Canyon. Said price will be based upon the market value of the water considering the operation, maintenance and capital cost to Family Trust, plus a return on the value of the equipment and facilities necessary to provide service under this Agreement.

9. On or before the 10th day of each month, Family Trust shall furnish to Truxton Canyon a statement for the water delivered during the preceding month. Payment for all said deliveries shall be made monthly by Truxton Canyon to Family Trust at its general offices in Winslow, Arizona, within 15 days from the receipt of the

SURREBUTTAL SCHEDULES

CSB-1—24

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SURREBUTTAL SCHEDULES

CSB-1—24

REVENUE REQUIREMENT

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>[A] COMPANY ORIGINAL COST</u>	<u>[B] STAFF ORIGINAL COST</u>
1	Adjusted Rate Base	\$ (185,698)	\$ (249,270)
2	Adjusted Operating Income (Loss)	\$ (247,201)	\$ 90,764
3	Current Rate of Return (L2 / L1)	Not Meaningful	Not Meaningful
4	Current Operating Margin Percentage	Not Meaningful	Not Applicable
5a	Proposed Operating Margin - Per Company	\$ 95,000	Not Applicable
5b	Operating Income (Cash Flow Methodology) - Per Staff	Not Applicable	\$ 50,000
6	Operating Income Deficiency/(Excess) (L5 - L2)	*Not Updated	\$ (40,764)
7	Gross Revenue Conversion Factor	*Not Updated	1.63915
8	Increase (Decrease) In Gross Revenue (L7 * L6)	\$ 300,000	\$ (66,818)
9	Adjusted Test Year Revenue	\$ 555,924	\$ 555,924
10	Proposed Annual Revenue (L8 + L9)	\$ 855,924	\$ 489,106
11	Required Increase/(Decrease in Revenue) (%) (L8/L9)	53.96%	-12.02%
12	Proposed Operating Margin	11.10%	10.22%
13	Depreciation Expense	\$ 34,471	\$ 9,579
14a	Cash Flow (L5a + 13)	\$ 129,471	Not Applicable
14b	Cash Flow (L5b + 13)	Not Applicable	\$ 59,579

*The Company did not update information when it filed updates to its application on February 15, 2013.

References:

Column [A]: Company's Application, Pages 15 and 19.
Column [B]: Staff Schedules CSB-2, CSB-3, & CSB-9

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	38.9927%			
5	Subtotal (L3 - L4)	61.0073%			
6	Revenue Conversion Factor (L1 / L5)	1.639147			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	38.2730%			
9	One Minus Combined Income Tax Rate (L7 - L8)	61.7270%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
<u>Calculation of Effective Tax Rate:</u>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	6.9680%			
14	Federal Taxable Income (L12 - L13)	93.0320%			
15	Applicable Federal Income Tax Rate (Line 53)	33.6497%			
16	Effective Federal Income Tax Rate (L14 x L15)	31.3050%			
17	Combined Federal and State Income Tax Rate (L13 + L16)		38.2730%		
<u>Calculation of Effective Property Tax Factor</u>					
18	Unity	100.0000%			
19	Combined Federal and State Income Tax Rate (L17)	38.2730%			
20	One Minus Combined Income Tax Rate (L18-L19)	61.7270%			
21	Property Tax Factor	1.1659%			
22	Effective Property Tax Factor (L20*L21)		0.7197%		
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			38.9927%	
24	Required Operating Income	\$ 50,000			
25	Adjusted Test Year Operating Income (Loss)	90,764			
26	Required Increase in Operating Income (L24 - L25)		\$ (40,764)		
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 14,640			
28	Income Taxes on Test Year Revenue (Col. [A], L52)	39,915			
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		(25,275)		
30	Recommended Revenue Requirement	\$ 489,106			
31	Uncollectible Rate (Line 10)	0.0000%			
32	Uncollectible Expense on Recommended Revenue (L30*L31)	\$ -			
33	Adjusted Test Year Uncollectible Expense	\$ -			
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32-L33)		-		
35	Property Tax with Recommended Revenue	\$ 18,024			
36	Property Tax on Test Year Revenue	18,803			
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		(779)		
38	Total Required Increase in Revenue (L26 + L29 + L34 + L37)		\$ (66,818)		
<u>Calculation of Income Tax:</u>					
39	Revenue	\$ 555,924	\$ (66,818)	\$ 489,106	
40	Operating Expenses Excluding Income Taxes	\$ 424,908	\$ (779)	\$ 424,129	
41	Synchronized Interest (L56)	\$ -		\$ -	
42	Arizona Taxable Income (L39 - L40 - L41)	\$ 131,016		\$ 64,977	
43	Arizona State Income Tax Rate	6.9680%		6.9680%	
44	Arizona Income Tax (L42 x L43)	\$ 9,129		\$ 4,528	
45	Federal Taxable Income (L42 - L44)	\$ 121,887		\$ 60,450	
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500		\$ 7,500	
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250		\$ 2,612	
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500		\$ -	
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 8,536		\$ -	
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ -		\$ -	
51	Total Federal Income Tax	\$ 30,786		\$ 10,112	
52	Combined Federal and State Income Tax (L44 + L51)	\$ 39,915		\$ 14,640	
53	Applicable Federal Income Tax Rate [Col. [C], L51 - Col. [A], L51] / [Col. [C], L45 - Col. [A], L45]			33.6497%	
<u>Calculation of Interest Synchronization:</u>					
54	Rate Base	\$ (249,270)			
55	Weighted Average Cost of Debt	0.0000%			
56	Synchronized Interest (L45 X L46)	\$ -			

RATE BASE - ORIGINAL COST

LINE NO.	(A) COMPANY AS FILED	(B) STAFF ADJUSTMENTS	ADJ NO.	(C) STAFF AS ADJUSTED
1	Plant in Service	\$ 1,167,400	\$ -	\$ 1,167,400
2	Less: Accumulated Depreciation	552,737	-	552,737
3	Net Plant in Service	<u>\$ 614,663</u>	<u>\$ -</u>	<u>\$ 614,663</u>
<u>LESS:</u>				
4	Advances in Aid of Construction (AIAC)	\$ 815,260	\$ (815,260) 1	\$ -
5	Service Line and Meter Advances	\$ 56,588	\$ -	\$ 56,588
6	Total AIAC	<u>\$ 871,848</u>	<u>\$ (815,260)</u>	<u>\$ 56,588</u>
7	Contributions in Aid of Construction (CIAC)	\$ 63,429	\$ 815,260 2	\$ 878,689
8	Less: Accumulated Amortization	63,429	13,533 3	76,962
9	Net CIAC	<u>\$ -</u>	<u>801,727</u>	<u>\$ 801,727</u>
10	Total Advances and Contributions	<u>\$ 871,848</u>	<u>\$ (13,533)</u>	<u>\$ 858,315</u>
11	Customer Deposits	\$ -	\$ 5,618 4	\$ 5,618
12	Accumulated Deferred Income Taxes	\$ -	\$ -	\$ -
<u>ADD:</u>				
13	Cash Working Capital Allowance	\$ 71,487	\$ (71,487) 5	\$ (0)
14	Materials and Supplies Inventories	\$ -	\$ -	\$ -
15	Prepayments	\$ -	\$ -	\$ -
16	Total Rate Base	<u><u>\$ (185,698)</u></u>	<u><u>\$ (63,572)</u></u>	<u><u>\$ (249,270)</u></u>

References:

Column [A] Company's Application, Pages 14, 15, 22, 24, & 25
Column [B]: Schedule CSB-4
Column [C]: Column [A] + Column [B]

SUMMARY OF RATE BASE ADJUSTMENTS

		[A]	[B]	[C]	[D]	[E]	[F]	[G]
			Adj No.1	Adj No.2	Adj No.3	Adj No.4	Adj No.5	
LINE NO.	PLANT IN SERVICE							
	Acct.	COMPANY	AIAC	CIAC	Amortization	Customer	Cash Working	STAFF AS
	No. - f Plant Description	AS FILED	Ref: Sch CSB-5	Ref: Sch CSB-6	of CIAC Ref: Sch CSB-7	Deposits Ref: Sch CSB-8	Capital Allowance Ref: Sch CSB-9	ADJUSTED
1	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	303 Land and Land Rights	20	-	-	-	-	-	20
3	304 Structures and Improvements	159	-	-	-	-	-	159
4	305 Collecting and Impound Reservoirs	-	-	-	-	-	-	-
5	307 Wells and Springs	19,791	-	-	-	-	-	19,791
6	309 Supply Mains	-	-	-	-	-	-	-
7	311 Pumping Equipment	11,462	-	-	-	-	-	11,462
8	320.1 Water Treatment Plants	-	-	-	-	-	-	-
9	320.2 Water Treatment, Solution Chemical Feeders	-	-	-	-	-	-	-
10	330 Distribution Reservoirs and Standpipes	-	-	-	-	-	-	-
11	331 Transmission and Distribution Mains	865,257	-	-	-	-	-	865,257
12	333 Services	64,236	-	-	-	-	-	64,236
13	334 Meters and Meter Installations	206,069	-	-	-	-	-	206,069
14	335 Hydrants	-	-	-	-	-	-	-
15	336 Backflow Prevention Devices	-	-	-	-	-	-	-
16	339 Other Plant and Miscellaneous Equipment	406	-	-	-	-	-	406
17	340 Office Furniture and Equipment	-	-	-	-	-	-	-
18	340.1 Computers and Software	-	-	-	-	-	-	-
19	341 Transportation Equipment	-	-	-	-	-	-	-
20	343 Tools, Shop, and Garage Equipment	-	-	-	-	-	-	-
21	345 Power Operated Equipment	-	-	-	-	-	-	-
22	346 Communication Equipment	-	-	-	-	-	-	-
23	347 Miscellaneous Equipment	-	-	-	-	-	-	-
24	Rounding	-	-	-	-	-	-	-
25	Total Plant in Service	\$ 1,167,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167,400
26	Less: Accumulated Depreciation	\$ 552,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,737
27	Net Plant in Service	\$ 614,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 614,663
28								
29	LESS:							
30	Advances in Aid of Construction (AIAC)	\$ 815,260	\$ (815,260)	\$ -	\$ -	\$ -	\$ -	\$ -
31	Meter Deposits - Service Line & Meter Advances	\$ 56,588	-	-	-	-	-	56,588
32	Total AIAC	\$ 871,848	\$ (815,260)	\$ -	\$ -	\$ -	\$ -	\$ 56,588
33								
34	Contributions in Aid of Construction (CIAC)	\$ 63,429	-	815,260	-	-	-	\$ 878,689
35	Less: Accumulated Amortization of CIAC	\$ 63,429	-	-	13,533	-	-	\$ 76,962
36	Net CIAC	\$ -	\$ -	\$ 815,260	\$ (13,533)	\$ -	\$ -	\$ 801,727
37								
38	Total Advances and Net Contributions	\$ 871,848	\$ (815,260)	\$ 815,260	\$ (13,533)	\$ -	\$ -	\$ 858,315
39								
40	Customer Deposits	\$ -	-	-	-	5,618	-	\$ 5,618
41	Accumulated Deferred Taxes	\$ -	-	-	-	-	-	\$ -
42								
43	ADD:							
44	Cash Working Capital Allowance	\$ 71,487	-	-	-	-	(71,487)	\$ (0)
45	Materials and Supplies Inventories	\$ -	-	-	-	-	-	\$ -
46	Prepayments	\$ -	-	-	-	-	-	\$ -
47	Total Rate Base	\$ (185,698)	\$ 815,260	\$ (815,260)	\$ 13,533	\$ (5,618)	\$ (71,487)	\$ (249,270)

RATE BASE ADJUSTMENT NO. 1 - AIAC

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	AIAC	\$ 815,260	\$ -	\$ 815,260
2	To Transfer Unapproved AIAC to CIAC	\$ -	\$ (815,260)	\$ (815,260)
3	Total	\$ 815,260	\$ (815,260)	\$ -

References:

Column [A]: Company's Updated Rate Case Data (Page 24 of Application)

Column [B]: Testimony, CSB

Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 2 - CIAC

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	CIAC	\$ 63,429	\$ -	\$ 63,429
2	To Treat Unapproved AIAC as CIAC	\$ -	\$ 815,260	\$ 815,260
3	Total	\$ 63,429	\$ 815,260	\$ 878,689

References:

Column [A]: Company's Updated Rate Case Data (Page 22 of Application)

Column [B]: Testimony, CSB

Column [C]: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 3 - AMORTIZATION OF CIAC

LINE NO.	DESCRIPTION	[A]		[B]		[C]	
		Per Company		Staff's Adjustment		Per Staff	
1	Amortization for Existing CIAC	\$	63,429	\$	-	\$	63,429
2	Amortization for AIAC treated as CIAC		-		13,533		13,533
3	Total	\$	63,429	\$	13,533	\$	76,962
4							
5							
6	CALCULATION OF AMORTIZATION OF CIAC						
7			Year	Number	CIAC		
8	Schedule	Unapproved	Transferred	of Interim	Amortization Rate	Amortization of	
9	Reference	AIAC	To CIAC	Years	Sch B-2.1, P.12	CIAC	
10	Schedule CSB-6	\$ 815,260	2011	0.5	3.32%	\$	13,533

References:

Column A: Company's Application, Page 24
Column B: Testimony, CSB
Column C: Column [A] + Column [B]

RATE BASE ADJUSTMENT NO. 4 - CUSTOMER DEPOSITS

LINE NO.	DESCRIPTION	[A]		[B]		[C]	
		Per Company		Staff's Adjustment		Per Staff	
1	Customer Deposits	\$	-	\$	-	\$	-
2	To Reflect Customer Deposits	\$	-	\$	5,618	\$	5,618
3	Total	\$	-	\$	5,618	\$	5,618

References:

Column A: Company's Updated Rate Application, Page 22

Column B: Testimony, CSB

Column C: Column [A] + Column [B]

Truxton Canyon Water Company

Docket No. W-02168A-11-0363

Test Year Ended Dec. 31, 2011 Updated to Dec. 31, 2012

Surrebuttal Schedule CSB-9

**RATE BASE
ADJUSTMENT NO. 5 - CASH WORKING CAPITAL ALLOWANCE**

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		PER COMPANY	ADJUSTMENT	PER STAFF
1	Cash Working Capital Allowance	\$ 71,487	\$ (71,487)	\$ -

References:

Column A: Company Schedule B-2 updated with 2012 data

Column B: Testimony, CSB

Column C: Column [A] + Column [B]

OPERATING INCOME - TEST YEAR AND STAFF RECOMMENDED

Line No.	Acct. No.	DESCRIPTION	[A] COMPANY TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	ADJ. NO.	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF ADJUSTED
1		REVENUES:						
2	461	Metered Water Revenue	\$ 540,429	\$ -		\$ 540,429	\$ (66,818)	\$ 473,611
3	460	Unmetered Water Revenue	-	-		-	-	-
4	474	Other Water Revenues	15,495	-		15,495	-	15,495
5		Total Revenues	<u>\$ 555,924</u>	<u>\$ -</u>		<u>\$ 555,924</u>	<u>\$ (66,818)</u>	<u>\$ 489,106</u>
6								
7		EXPENSES:						
8	601	Salaries and Wages	\$ 104,118	\$ -		\$ 104,118	\$ -	\$ 104,118
9	610	Purchased Water	147,409	(147,409)		-	-	-
10	615	Purchased Power	77,582	-		77,582	-	77,582
11	618	Chemicals	1,838	-		1,838	-	1,838
12	620	Repairs & Maint	37,480	(1,608)		35,872	-	35,872
13	621	Office Supplies & Expenses	17,720	-		17,720	-	17,720
14	630	Outside Services	266,283	(202,891)		63,392	-	63,392
15	635	Water Testing	4,846	369		5,215	-	5,215
16	641	Rents	6,600	(1,650)		4,950	-	4,950
17	650	Transportation Expenses	42,123	(2,700)		39,423	-	39,423
18	657	Insurance - General Liability	7,716	-		7,716	-	7,716
19	659	Insurance - Health and Life	-	-		-	-	-
20	666	Reg. Comm. Exp. - Rate Case	14,615	-		14,615	-	14,615
21	670	Bad Debt Expense	-	-		-	-	-
22	675	Miscellaneous Expense	8,172	-		8,172	-	8,172
23	403	Depreciation	34,471	(24,892)		9,579	-	9,579
24	408	Taxes Other Than Income	15,912	-		15,912	-	15,912
25	408.1	Property Taxes	16,240	2,563		18,803	(779)	18,024
26	409	Income Taxes	-	39,915		39,915	(25,275)	14,640
27	427.4	Interest on Customer Security Deposits	-	337		337	-	337
28		Total Operating Expenses	<u>803,125</u>	<u>(338,302)</u>		<u>465,160</u>	<u>(26,054)</u>	<u>439,106</u>
29								
30		Operating Income (Loss)	<u>\$ (247,201)</u>	<u>\$ 338,302</u>		<u>\$ 90,764</u>	<u>\$ (40,764)</u>	<u>\$ 50,000</u>

References:

Column (A): Company's Application, Page 19
Column (B): Schedule CSB-10
Column (C): Column (A) + Column (B)
Column (D): Schedules CSB-1 and CSB-2
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME ADJUSTMENTS - TEST YEAR

Line	Acct.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[J]	[K]	[L]	[M]
No.	DESCRIPTION	COMPANY AS FILED	ADJ #1 Purchased Water Expense	ADJ #2 Repairs & Maintenance Expense	ADJ #3 Outside Services Expense	ADJ #4 Water Testing Expense	ADJ #5 Rents Expense	ADJ #6 Transportation Expense	ADJ #7 Depreciation Expense	ADJ #8 Property Taxes	ADJ #9 Income Taxes	ADJ #10 Interest on Customer Security Deposits	STAFF ADJUSTED
1	REVENUES:												
2	Metered Water Revenue	\$ 540,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,429
3	Unmetered Water Revenue	-	-	-	-	-	-	-	-	-	-	-	-
4	Other Water Revenues	15,495	-	-	-	-	-	-	-	-	-	-	-
5		\$ 555,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 555,924
6													
7	OPERATING EXPENSES:												
8	Salaries and Wages	\$ 104,118	-	-	-	-	-	-	-	-	-	-	\$ 104,118
9	Purchased Water	147,409	(147,409)	-	-	-	-	-	-	-	-	-	-
10	Purchased Power	77,582	-	-	-	-	-	-	-	-	-	-	77,582
11	Chemicals	1,838	-	-	-	-	-	-	-	-	-	-	1,838
12	Repairs & Maint	37,480	-	(1,608)	-	-	-	-	-	-	-	-	35,872
13	Office Supplies & Expenses	17,720	-	-	-	-	-	-	-	-	-	-	17,720
14	Outside Services	266,283	-	-	(202,891)	-	-	-	-	-	-	-	63,392
15	Water Testing	4,846	-	-	-	-	-	-	-	-	-	-	5,215
16	Rents	641	-	-	-	369	(1,650)	-	-	-	-	-	4,950
17	Transportation Expenses	42,123	-	-	-	-	-	(2,700)	-	-	-	-	39,423
18	Insurance - General Liability	7,716	-	-	-	-	-	-	-	-	-	-	7,716
19	Insurance - Health and Life	-	-	-	-	-	-	-	-	-	-	-	-
20	Reg. Comm. Exp. - Rate Case	14,615	-	-	-	-	-	-	-	-	-	-	14,615
21	Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-
22	Miscellaneous Expense	8,172	-	-	-	-	-	-	-	-	-	-	8,172
23	Depreciation	34,471	-	-	-	-	-	-	(24,892)	-	-	-	9,579
24	Taxes Other Than Income	15,912	-	-	-	-	-	-	-	-	-	-	15,912
25	Property Taxes	16,240	-	-	-	-	-	-	-	2,563	-	-	18,803
26	Income Taxes	-	-	-	-	-	-	-	-	-	39,915	-	39,915
27	Interest on Customer Security Deposit	-	-	-	-	-	-	-	-	-	-	337	337
28	Total Operating Expenses	\$ 803,125	\$ (147,409)	\$ (1,608)	\$ (202,891)	\$ 369	\$ (1,650)	\$ (2,700)	\$ (24,892)	\$ 2,563	\$ 39,915	\$ 337	\$ 455,160
29													
30	Operating Income (Loss)	\$ (247,201)	\$ 147,409	\$ 1,608	\$ 202,891	\$ (369)	\$ 1,650	\$ 2,700	\$ 24,892	\$ (2,563)	\$ (39,915)	\$ (337)	\$ 90,764

Truxton Canyon Water Company
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Surrebuttal Schedule CSB-12

OPERATING INCOME ADJUSTMENT NO. 1 - PURCHASED WATER EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS (Col C - Col A)	STAFF AS ADJUSTED
1	Purchased Water	\$ 147,409	\$ (147,409)	\$ -

References:

Column A: Company Income Statement, Page 19 of application
Column B: Testimony, CSB; Data Request CSB 2.10
Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 2 - REPAIRS AND MAINTENANCE EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]	
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED	
1	Repairs and Maintenance Expense	\$ 37,480	\$ -	\$ 37,480	
2	To Remove Unsupported Cost	\$ -	\$ -	\$ -	Removed \$5,863 Adj.
3	To Remove Cost Not Incurred Within Updated TY	\$ -	\$ (1,433)	\$ (1,433)	
4	To Remove Cost for Sirius Radio	\$ -	\$ (175)	\$ (175)	
5	Total	\$ 37,480	\$ (1,608)	\$ 35,872	

References:

- Column A: Company Income Statement, Page 19 of application
- Column B: Testimony, CSB; Data Request CSB 2.10
- Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 3 - OUTSIDE SERVICES EXPENSE

LINE NO.	DESCRIPTION	[A]		[B]		[C]	
		COMPANY AS FILED		STAFF ADJUSTMENTS (Col C - Col A)		STAFF AS ADJUSTED	
1	Outside Services	\$	266,283	\$	-	\$	266,283
2	To Remove Costs from Trust	\$	-	\$	(202,891)	\$	(202,891)
3	Total	\$	266,283	\$	(202,891)	\$	63,392
4							
5		From 2012 General Ledger					
6		Date	Description			Amount	
7		1/10/2012	Claude K. Neal Family Trust			\$ 4,000	
8		1/23/2012	Claude K. Neal Family Trust			\$ 4,000	
9		1/25/2012	Claude K. Neal Family Trust			\$ 750	
10		2/3/2012	Claude K. Neal Family Trust			\$ 1,000	
11		2/7/2012	Claude K. Neal Family Trust			\$ 2,000	
12		2/21/2012	Claude K. Neal Family Trust			\$ 1,500	
13		2/22/2012	Claude K. Neal Family Trust			\$ 600	
14		3/7/2012	Claude K. Neal Family Trust			\$ 1,929	
15		3/20/2012	Claude K. Neal Family Trust			\$ 3,500	
16		3/28/2012	Claude K. Neal Family Trust			\$ 1,123	
17		4/7/2012	Claude K. Neal Family Trust			\$ 8,000	
18		4/7/2012	Claude K. Neal Family Trust			\$ 2,000	
19		4/18/2012	Claude K. Neal Family Trust			\$ 3,000	
20		4/27/2012	Claude K. Neal Family Trust			\$ 300	
21		5/3/2012	Claude K. Neal Family Trust			\$ 2,780	
22		5/31/2012	Claude K. Neal Family Trust			\$ 2,572	
23		6/4/2012	Claude K. Neal Family Trust			\$ 1,200	
24		6/5/2012	Claude K. Neal Family Trust			\$ 1,200	
25		6/13/2012	Claude K. Neal Family Trust			\$ 3,744	
26		7/11/2012	Claude K. Neal Family Trust			\$ 3,715	
27		7/12/2012	Claude K. Neal Family Trust			\$ 11,743	
28		7/12/2012	Claude K. Neal Family Trust			\$ 7,209	
29		7/12/2012	Claude K. Neal Family Trust			\$ 7,796	
30		7/12/2012	Claude K. Neal Family Trust			\$ 11,743	
31		7/12/2012	Claude K. Neal Family Trust			\$ 19,232	
32		7/12/2012	Claude K. Neal Family Trust			\$ 11,888	
33		7/12/2012	Claude K. Neal Family Trust			\$ 15,541	
34		7/12/2012	Claude K. Neal Family Trust			\$ 11,796	
35		7/12/2012	Claude K. Neal Family Trust			\$ 11,849	
36		7/12/2012	Claude K. Neal Family Trust			\$ 8,097	
37		7/24/2012	Claude K. Neal Family Trust			\$ 3,520	
38		8/8/2012	Claude K. Neal Family Trust			\$ 4,000	
39		8/28/2012	Claude K. Neal Family Trust			\$ 3,200	
40		9/18/2012	Claude K. Neal Family Trust			\$ 900	
41		9/20/2012	Claude K. Neal Family Trust			\$ 3,262	
42		10/5/2012	Claude K. Neal Family Trust			\$ 2,618	
43		10/5/2012	Claude K. Neal Family Trust			\$ 637	
44		10/12/2012	Claude K. Neal Family Trust			\$ 2,770	
45		10/18/2012	Claude K. Neal Family Trust			\$ 4,375	
46		11/15/2012	Claude K. Neal Family Trust			\$ 4,200	
47		11/28/2012	Claude K. Neal Family Trust			\$ 4,000	
48		12/13/2012	Claude K. Neal Family Trust			\$ 3,600	
						\$ 202,891	

References:

Column A: Company Income Statement, Page 19 of application

Column B: Testimony, CSB

Column C: Column [A] + Column [B]

Truxton Canyon Water Company
Docket No. W-02168A-11-0363
Test Year Ended Dec. 31, 2011 Updated to Dec. 31, 2012

Surrebuttal Schedule CSB-15

OPERATING INCOME ADJUSTMENT NO. 4 - WATER TESTING EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS (Col C - Col A)	STAFF AS ADJUSTED
1	Water Testing	\$ 4,846	\$ 369	\$ 5,215

References:

Column A: Company Income Statement, Page 19 of application

Column B: Testimony, CSB

Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 5 - RENTS EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	Rents Expense	\$ 6,600	\$ -	\$ 6,600
2	Allocation of Rents Exp to Cerbat	-	(1,650)	(1,650)
3		\$ 6,600	\$ (1,650)	\$ 4,950
4				
5				
6				
7	Company Proposed Rents Expense		\$	6,600
8	Company Proposed Allocation Percentage			75%
9	Rents Expense Allocated To Truxton		\$	4,950
10	Less: Company Proposed Rents Expense			6,600
11	Staff's Adjustment (i.e to reflect allocation to Cerbat)		\$	(1,650)

References:

Column A: Company Income Statement, Page 19 of application
Column B: Testimony, CSB; Schedule C-2e of Original Application
Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 6 - TRANSPORTATION EXPENSE

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	Transportation Expense	\$ 28,623	\$ -	\$ 28,623
2	To Remove Affiliate Profit on Fully Paid Vehicle	13,905	(2,700)	11,205
3		\$ 42,528	\$ (2,700)	\$ 39,828
4				
5				
6				
7				
8				
9				
10	2011 Dodge Ram 2500 Mega Cab	\$ 735.00	\$ -	\$ 735.00
11	2008 Dodge Ram 2500 Mega Cab	\$ 510.00	\$ -	\$ 510.00
12	2005 Chevrolet Silverado	\$ 300.00	\$ (300.00)	\$ -
13		\$ -	\$ -	\$ -
14		\$ 1,545	\$ (300)	\$ 1,245
15	Multiplied by 12 Months	12	12	12
16		\$ 18,540	\$ (3,600)	\$ 14,940
17		x 75%	x 75%	x 75%
18		\$ 13,905	\$ (2,700)	\$ 11,205

References:

Column A: Company Income Statement, Page 19 of application
Column B: Testimony, CSB;
Column C: Column [A] + Column [B]

OPERATING INCOME ADJUSTMENT NO. 7 - DEPRECIATION EXPENSE ON TEST YEAR PLANT

LINE NO.	DESCRIPTION	[A] PLANT In SERVICE Per Staff	[B] NonDepreciable or Fully Depreciated PLANT	[C] DEPRECIABLE PLANT (Col A - Col B)	[D] DEPRECIATION RATE	[E] DEPRECIATION EXPENSE (Col C x Col D)
1	301 Organization	\$ -	\$ -	\$ -	0.00%	\$ -
2	303 Land and Land Rights	20	20	-	0.00%	-
3	304 Structures and Improvements	159	-	159	3.33%	5
4	305 Collecting and Impound Reservoirs	-	-	-	2.50%	-
5	307 Wells and Springs	19,791	-	19,791	3.33%	659
6	309 Supply Mains	-	-	-	2.00%	-
7	311 Pumping Equipment	11,462	-	11,462	12.50%	1,433
8	320.1 Water Treatment Equipment	-	-	-	3.33%	-
9	320.2 Water Treatment Plant, Solution Chemical Feeders	-	-	-	20.00%	-
10	330 Distribution Reservoirs and Standpipes	-	-	-	2.22%	-
11	331 Transmission and Distribution Mains	865,257	-	865,257	2.00%	17,305
12	333 Services	64,236	-	64,236	3.33%	2,139
13	334 Meters and Meter Installations	206,069	-	206,069	8.33%	17,166
14	335 Hydrants	-	-	-	2.00%	-
15	336 Backflow Prevention Devices	-	-	-	6.67%	-
16	339 Other Plant and Miscellaneous Equipment	406	-	406	6.67%	27
17	340 Office Furniture and Equipment	-	-	-	6.67%	-
18	340.1 Computers and Software	-	-	-	20.00%	-
19	341 Transportation Equipment	-	-	-	20.00%	-
20	343 Tools, Shop, and Garage Equipment	-	-	-	5.00%	-
21	345 Power Operated Equipment	-	-	-	5.00%	-
22	346 Communication Equipment	-	-	-	10.00%	-
23	347 Miscellaneous Equipment	-	-	-	10.00%	-
24						
25	Total Plant	\$ 1,167,400	\$ -	\$ 1,167,380		\$ 38,734
26						
27						
28						
29	Composite Depreciation Rate (Depr Exp / Depreciable Plant):	3.32%				
30	CIAC: \$	878,689				
31	Amortization of CIAC (Line 29 x Line 30): \$	29,155				
32						
33	Depreciation Expense Before Amortization of CIAC: \$	38,734				
34	Less Amortization of CIAC: \$	29,155				
35	Test Year Depreciation Expense - Staff: \$	9,579				
36	Depreciation Expense - Company:	34,471				
37	Staff's Total Adjustment: \$	(24,892)				

References:

Column [A]: Schedule CSB-4
Column [B]: From Column [A]
Column [C]: Column [A] - Column [B]
Column [D]: Engineering Staff Report
Column [E]: Column [C] x Column [D]

OPERATING INCOME ADJUSTMENT NO. 8 - PROPERTY TAX EXPENSE

LINE NO.	Property Tax Calculation	[A] STAFF AS ADJUSTED	[B] STAFF ADJUSTED TO DECREASE
1	Staff Adjusted Test Year Revenues	\$ 555,924	\$ 555,924
2	Weight Factor	<u>2</u>	<u>2</u>
3	Subtotal (Line 1 * Line 2)	1,111,848	\$ 1,111,848
4	Staff Recommended Revenue, Per Schedule CSB-1	<u>555,924</u>	\$ 489,106
5	Subtotal (Line 3 + Line 4)	1,667,772	1,600,954
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	555,924	\$ 533,651
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	1,111,848	\$ 1,067,303
10	Plus: 10% of CWIP -	-	-
11	Less: Net Book Value of Licensed Vehicles (See Note 1)	36,639	\$ 36,639
12	Full Cash Value (Line 9 + Line 10 - Line 11)	1,075,209	\$ 1,030,664
13	Assessment Ratio	20.0%	20.0%
14	Assessment Value (Line 12 * Line 13)	215,042	\$ 206,133
15	Composite Property Tax Rate	<u>8.7440%</u>	<u>8.7440%</u>
			\$ -
16	Staff Test Year Adjusted Property Tax (Line 14 * Line 15)	\$ 18,803	
17	Company Proposed Property Tax	<u>16,240</u>	
18	Staff Test Year Adjustment (Line 16-Line 17)	<u>\$ 2,563</u>	
19	Property Tax - Staff Recommended Revenue (Line 14 * Line 15)		\$ 18,024
20	Staff Test Year Adjusted Property Tax Expense (Line 16)		\$ 18,803
21	Increase in Property Tax Expense Due to Increase in Revenue Requirement		<u>\$ (779)</u>
22	Increase to Property Tax Expense		\$ (779)
23	Increase in Revenue Requirement		(66,818)
24	Increase to Property Tax per Dollar Increase in Revenue (Line 19/Line 20)		1.165867%
25			
26	Note 1:		
27	The Company has four leased vehicles. Staff assumed		
28	that three of the four were fully depreciated. Staff calculated		
29	the net book value of the 2011 Dodge Ram 2500 Mega Cab		

OPERATING INCOME ADJUSTMENT NO. 9 - TEST YEAR INCOME TAXES

LINE NO.	DESCRIPTION	(A)	(B)
<u>Calculation of Income Tax:</u>		Test Year	
1	Revenue	\$ 555,924	
2	Less: Operating Expenses - Excluding Income Taxes	\$ 424,908	
3	Less: Synchronized Interest (L17)	\$ -	
4	Arizona Taxable Income (L1- L2 - L3)	\$ 131,016	
5	Arizona State Income Tax Rate	6.968%	
6	Arizona Income Tax (L4 x L5)		\$ 9,129
7	Federal Taxable Income (L4 - L6)	\$ 121,887	
8	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ 7,500	
9	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ 6,250	
10	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ 8,500	
11	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ 8,536	
12	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ -	
13	Total Federal Income Tax		\$ 30,786
14	Combined Federal and State Income Tax (L6 + L13)		\$ 39,915
<u>Calculation of Interest Synchronization:</u>			
15	Rate Base	\$ (249,270)	
16	Weighted Average Cost of Debt	0.00%	
17	Synchronized Interest (L16 x L17)	\$ -	
18	Income Tax - Per Staff	\$ 39,915	
19	Income Tax - Per Company	\$ -	
20	Staff Adjustment	\$ 39,915	

OPERATING INCOME ADJUSTMENT NO. 10 - INTEREST ON CUSTOMER DEPOSITS

LINE NO.	DESCRIPTION	[A]	[B]	[C]
		COMPANY AS FILED	STAFF ADJUSTMENTS	STAFF AS ADJUSTED
1	Interest on Customer Deposits	-	\$ 337	\$ 337
2				
3				
4				
5				
6				
7				
8				

Interest on
Customer Deposits

\$ 5,618

Multiplied by 0.06

\$ 337

References:

Column A: Company Income Statement, Page 19 of application

Column B: Testimony, CSB; Data Request CSB 2.14

Column C: Column [A] + Column [B]

RATE DESIGN

Monthly Minimum Charge

Meter Size (All Classes):

	Present	Company Proposed Rates	Staff Recommended Rates
5/8 x 3/4 Inch	\$ 19.50	\$ 29.50	\$ 14.00
3/4 Inch	19.50	29.50	14.00
1 Inch	32.50	73.75	28.28
1 1/2 Inch	65.00	147.50	56.55
2 Inch	104.00	236.00	90.48
3 Inch	195.00	472.00	194.88
4 Inch	325.00	737.50	304.50
6 Inch	650.00	1,475.00	565.50

**Gallons Included in Monthly
Minimum Charge**

0

0

0

Commodity Charge - Per 1,000 Gallons

All Meter Sizes

First 5,000 gallons	\$ 1.4500	N/A	N/A
5,001 to 20,000 gallons	1.9000	N/A	N/A
Over 20,000 gallons	2.5000	N/A	N/A
First 3,000 gallons	N/A	2.5000	\$ 1.2000
3,001 to 10,000 gallons	N/A	4.5000	2.4000
Over 10,000 gallons	N/A	6.3500	3.8070

1" Meter

First 5,000 gallons	\$ 1.2000	N/A	N/A
5,001 to 10,000 gallons	1.4000	N/A	N/A
Over 10,000 gallons	1.6000		
First 25,000 gallons	N/A	2.5800	N/A
Over 25,000 gallons	N/A	3.2000	N/A
First 16,000 gallons	N/A	N/A	2.4000
Over 16,000 gallons	N/A	N/A	3.8070

1 1/2" Meter

First 5,000 gallons	\$ 1.2000	N/A	N/A
5,001 to 10,000 gallons	1.4000	N/A	N/A
Over 10,000 gallons	1.6000		
First 50,000 gallons	N/A	2.5800	N/A
Over 50,000 gallons	N/A	3.2000	N/A
First 30,000 gallons	N/A	N/A	2.4000
Over 30,000 gallons	N/A	N/A	3.8070

RATE DESIGN

2" Meter

First 5,000 gallons	\$	1.2000	N/A	N/A
5,001 to 10,000 gallons		1.4000	N/A	N/A
Over 10,000 gallons		1.6000		
First 80,000 gallons		N/A	2.5800	N/A
Over 80,000 gallons		N/A	3.2000	N/A
First 48,000 gallons		N/A	N/A	2.4000
Over 48,000 gallons		N/A	N/A	3.8070

3" Meter

First 5,000 gallons	\$	1.2000	N/A	N/A
5,001 to 10,000 gallons		1.4000	N/A	N/A
Over 10,000 gallons		1.6000		
First 160,000 gallons		N/A	2.5800	N/A
Over 160,000 gallons		N/A	3.2000	N/A
First 58,000 gallons		N/A	N/A	2.4000
Over 58,000 gallons		N/A	N/A	3.8070

4" Meter

First 5,000 gallons	\$	1.2000	N/A	N/A
5,001 to 10,000 gallons		1.4000	N/A	N/A
Over 10,000 gallons		1.6000		
First 250,000 gallons		N/A	2.5800	N/A
Over 250,000 gallons		N/A	3.2000	N/A
First 95,000 gallons		N/A	N/A	2.4000
Over 95,000 gallons		N/A	N/A	3.8070

6" Meter

First 5,000 gallons	\$	1.2000	N/A	N/A
5,001 to 10,000 gallons		1.4000	N/A	N/A
Over 10,000 gallons		1.6000		
First 50,000 gallons		N/A	2.5800	N/A
Over 50,000 gallons		N/A	3.2000	N/A
First 278,000 gallons		N/A	N/A	2.4000
Over 278,000 gallons		N/A	N/A	3.8070

Bulk Water

Per 1,000 gallons	\$	2.5000	6.3500	3.8070
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Valley Vista Property Owners Association

Per 1,000 gallons	\$	1.4500	N/A	1.2000
First 15,000,000 gallons		N/A	1.7000	N/A
Over 15,000,000 gallons		N/A	1.9000	N/A

Other Service Charges

Establishment	\$ 45.00	\$ 50.00	\$ 45.00
Establishment (After Hours)	\$ 55.00	Eliminate	Eliminate
Reconnection (Delinquent)	\$ 65.00	\$ 70.00	\$ 45.00
Reconnection (Delinquent/After Hours)	\$ 75.00	Eliminate	Eliminate
Meter Test (If Correct)	\$ 35.00	\$ 40.00	\$ 25.00
Deposit	*	*	*
Deposit Interest	*	*	*
Reestablishment (Within 12 Months)	**	**	**
Reestablishment (Delinquent/After Hours)	**+\$10	Eliminate	Eliminate
NSF Check	\$ 15.00	\$ 25.00	\$ 25.00
Deferred Payment	1.5% per month	1.5% per month	1.5% per month
Meter Re-read (If Correct)	\$ 15.00	\$ 25.00	\$ 20.00
Late Fee	\$ 5.00	\$ 5.00	\$ 5.00
Call Out (At Customer's Request)	\$ 25.00	\$ 35.00	Eliminate
After Hours Charge	No Tariff	\$ 25.00	\$ 30.00
Monthly Fire Sprinkler Charge	***	Eliminate	****

* Per Commission Rule A.A.C. R-14-2-403(B)

** Number of months off system times monthly minimum per A.A.C. R-14-2-403(D)

*** 1% of monthly minimum for a comparable sized meter connection, but not less than \$5.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

**** 2% of monthly minimum for a comparable sized meter connection, but not less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per commission rule 14-2-409D(5).

Service and Meter Installation Charges

	Total Present Charge	Proposed Service Line Charge	Proposed Meter Installation Charge	Total Proposed Charge	Recommended Service Line Charge	Recommended Meter Installation Charge	Total Recommended Charge
5/8" x 3/4" Meter	\$ 450	\$ 445	\$ 155	\$ 600	\$ 445	\$ 155	\$ 600
3/4" Meter	\$ 500	\$ 445	\$ 255	\$ 700	\$ 445	\$ 255	\$ 700
1" Meter	\$ 550	\$ 495	\$ 315	\$ 810	\$ 495	\$ 315	\$ 810
1 1/2" Meter	\$ 775	\$ 550	\$ 525	\$ 1,075	\$ 550	\$ 525	\$ 1,075
2" Meter	\$ 1,305	\$ 830	\$ 1,045	\$ 1,875	\$ 830	\$ 1,045	\$ 1,875
2" Compound Meter	\$ 1,900	\$ 830	\$ 1,890	\$ 2,720	\$ 830	\$ 1,890	\$ 2,720
3" Meter	\$ 1,815	\$ 1,045	\$ 1,670	\$ 2,715	\$ 1,045	\$ 1,670	\$ 2,715
3" Compound Meter	\$ 2,490	\$ 1,165	\$ 2,545	\$ 3,710	\$ 1,165	\$ 2,545	\$ 3,710
4" Meter	\$ 2,860	\$ 1,490	\$ 2,670	\$ 4,160	\$ 1,490	\$ 2,670	\$ 4,160
4" Compound Meter	\$ 3,615	\$ 1,670	\$ 3,645	\$ 5,315	\$ 1,670	\$ 3,645	\$ 5,315
6" Meter	\$ 5,275	\$ 2,210	\$ 5,025	\$ 7,235	\$ 2,210	\$ 5,025	\$ 7,235
6" Compound Meter	\$ 6,810	\$ 2,330	\$ 6,920	\$ 9,250	\$ 2,330	\$ 6,920	\$ 9,250

Typical Bill Analysis
Residential 3/4-Inch Meter

Company Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	5,392	\$ 27.73	\$ 47.76	\$ 20.03	72.25%
Median Usage	3,754	24.94	40.39	\$ 15.45	61.94%
Staff Recommended					
Average Usage	5,392	\$ 27.73	\$ 23.34	\$ (4.39)	-15.83%
Median Usage	3,754	24.94	19.41	\$ (5.53)	-22.19%

Present & Proposed Rates (Without Taxes)
Residential 3/4-Inch Meter

Gallons	Present	Company Proposed	%	Staff Recommended	%
	3/4"	3/4"		3/4"	
Consumption	Rates	Rates	Increase	Rates	Increase
-	\$ 19.50	\$ 29.50	51.28%	\$ 14.00	-28.21%
1,000	20.95	32.00	52.74%	15.20	-27.45%
2,000	22.40	34.50	54.02%	16.40	-26.79%
3,000	23.85	37.00	55.14%	17.60	-26.21%
4,000	25.30	41.50	64.03%	20.00	-20.95%
5,000	26.75	46.00	71.96%	22.40	-16.26%
6,000	29.25	50.50	72.65%	24.80	-15.21%
7,000	31.75	55.00	73.23%	27.20	-14.33%
8,000	34.25	59.50	73.72%	29.60	-13.58%
9,000	36.75	64.00	74.15%	32.00	-12.93%
10,000	39.25	68.50	74.52%	34.40	-12.36%
11,000	41.75	74.85	79.28%	38.21	-8.49%
12,000	44.25	81.20	83.50%	42.01	-5.05%
13,000	46.75	87.55	87.27%	45.82	-1.99%
14,000	49.25	93.90	90.66%	49.63	0.77%
15,000	51.75	100.25	93.72%	53.44	3.26%
16,000	54.25	106.60	96.50%	57.24	5.52%
17,000	56.75	112.95	99.03%	61.05	7.58%
18,000	59.25	119.30	101.35%	64.86	9.46%
19,000	61.75	125.65	103.48%	68.66	11.20%
20,000	64.25	132.00	105.45%	72.47	12.79%
25,000	76.75	163.75	113.36%	91.51	19.22%
30,000	89.25	195.50	119.05%	110.54	23.85%
35,000	101.75	227.25	123.34%	129.58	27.35%
40,000	114.25	259.00	126.70%	148.61	30.07%
45,000	126.75	290.75	129.39%	167.65	32.26%
50,000	139.25	322.50	131.60%	186.68	34.06%
75,000	201.75	481.25	138.54%	281.86	39.71%
100,000	264.25	640.00	142.19%	377.03	42.68%

Line No. **WIFA LOAN SURCHARGE CALCULATION - EXAMPLE**

1 Loan Amount: **\$259,280**
2 Term: **20 Years**
3 Interest Rate Before Subsidy **5.25%**
4 WIFA Subsidy Rate: **100%**
5 WIFA Interest rate : **5.25%** If interest rate is not found on TABLE A, use the next highest percentage
6
7

Step 1 - Find the Annual Payment on Loan

8 \$259,280 Total Amount of Loan
9 **0.0809** TABLE A, Conversion Factor Table, Column B
10 \$20,965.72 Annual Principle and Interest Payment
11

Step 2 - Find the Annual Interest Payment on Loan

12 \$259,280 Total Amount of Loan
13 **0.0518** TABLE A, Conversion Factor Table, Column C
14 \$13,432.65 Annual Interest Payment on Debt
15
16

Step 3 - Find the Annual Principal Payment on Loan

17 \$259,280 Total Amount of Loan
18 **0.0291** TABLE A, Conversion Factor Table, Column D
19 \$7,533.07 Annual Principal and Interest Payment
20
21

Step 4 - Find the Gross Revenue Conversion Factor

1.649996016

Step 5 - Find the Incremental Income Tax Factor

1.65000 minus 1 = 0.65000

Step 6 - Find the Annual Income Tax Component of Surcharge Revenue

25 0.65000 Incremental Income Tax Factor (from Step 5)
26 \$7,533.07 Multiplied by: Annual Principal Payment on Loan (from Step 3)
27 \$4,896.46 Annual Income Tax Component of the Annual Surcharge Revenue
28
29

Step 7 - Find the Debt Service Component of the Annual Surcharge Revenue

30 \$13,432.65 Annual Interest Payment on Debt (from Step 2)
31 \$7,533.07 Plus: Annual Principal Payment (from Step 3)
32 \$20,965.72 Debt Service Component of the Annual Surcharge Revenue
33
34

Step 8 - Find the Annual Surcharge Revenue Requirement Needed for the Loan

35 \$4,896.46 Annual Income Tax Component of the Annual Surcharge Revenue (from Step 6)
36 \$20,965.72 Plus: Debt Service Component of the Annual Surcharge Revenue (from Step 7)
37 \$25,862.18 Total Annual Surcharge Revenue Requirement for the Loan
38
39

Step 9 - Find the Equivalent Bills

Equivalent Bills					
Col A	Col B	Col C	Col D	Col E	
Meter Size	NARUC Multiplier	Number of Customers	Months in Year	Number of Equivalent Bills	Col B x C x D
5/8"x 3/4" Meter	1	0	12	-	-
3/4" Meter	1.5	916	12	16,488	
1" Meter	2.5	5	12	150	
1 1/2" Meter	5	0	12	-	
2" Meter	8	2	12	192	
3" Meter	15	0	12	-	
4" Meter	25	0	12	-	
6" Meter	50	2	12	1,200	
		<u>925</u>		<u>18,030</u>	

Step 10 - Find the Monthly Surcharge for the 5/8" x 3/4" Meter Size Customers

58 \$25,862.18 Total Annual Surcharge Revenue Requirement for the Loan (from Step 8)
59 18,030 Divided by: Total Number of Equivalent Bills
60 \$ 1.43 Monthly Surcharge for 3/4" Customers
61
62

Step 11 - Find the Monthly Surcharge for the Remaining Meter Size Customers

Equivalent Bills					
Col A	Col B	Col C	Col D		
Meter Size	NARUC Multiplier	5/8" x 3/4" Customers' Surcharge	Surcharge by Meter Size		Col B x C
5/8"x 3/4" Meter	1	\$ 1.43	\$ 1.43		
3/4" Meter	1.5	\$ 1.43	\$ 2.15		
1" Meter	2.5	\$ 1.43	\$ 3.59		
1 1/2" Meter	5	\$ 1.43	\$ 7.17		
2" Meter	8	\$ 1.43	\$ 11.48		
3" Meter	15	\$ 1.43	\$ 21.52		
4" Meter	25	\$ 1.43	\$ 35.86		
6" Meter	50	\$ 1.43	\$ 71.72		

TABLE A
Conversion Factor Table (Based on a 20-year Loan)

Line No.	Column A	Column B	Column C	Column D
	Annual Interest	Annual Payment	Annual Interest Payment	Annual Principal Payment
		Conversion Factor	Conversion Factor	Conversion Factor
1	3.50%	0.0696	0.0344	0.0352
2	3.75%	0.0711	0.0369	0.0342
3	4.00%	0.0727	0.0394	0.0333
4	4.25%	0.0743	0.0419	0.0324
5	4.50%	0.0759	0.0444	0.0316
6	4.75%	0.0775	0.0468	0.0307
7	5.00%	0.0792	0.0493	0.0299
8	5.25%	0.0809	0.0518	0.0291
9	5.50%	0.0825	0.0543	0.0283
10	5.75%	0.0843	0.0568	0.0275
11	6.00%	0.0860	0.0593	0.0267
12	6.25%	0.0877	0.0618	0.0259
13	6.50%	0.0895	0.0643	0.0252
14	6.75%	0.0912	0.0668	0.0245
15	7.00%	0.0930	0.0692	0.0238
16	7.25%	0.0948	0.0717	0.0231
17	7.50%	0.0967	0.0742	0.0224
18	7.75%	0.0985	0.0767	0.0218
19	8.00%	0.1004	0.0792	0.0211